

UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	OGC/Logistics IC-52 Qts. I				
2					
3					
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6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
<p>Remarks: <input type="checkbox"/> In the light of the attached, the original of which is in General Counsel's files, I believe there is no violation of the conflict-of-interest rules in connection with Agency contracts with <input type="checkbox"/></p> <p><input type="checkbox"/> However, as an added precaution I understand you will prepare and work out with DD/I a system whereby DD/I will make specific findings in connection with any contracts that portion of the Agency makes with <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p>LRHouston</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
General Counsel 7D01				9/28/62	
UNCLASSIFIED		CONFIDENTIAL		SECRET	

OGC REVIEW COMPLETED

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CGC 62-2749(a)

MEMORANDUM FOR: Chief, TSD/LSS

ATTENTION:

[REDACTED]

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SUBJECT:

Possible Conflict of Interest of Contract Employee

[REDACTED]

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1. You have requested our opinion as to the possibility of a conflict-of-interest situation arising from the following facts. Mr. [REDACTED] a contract employee of the Agency, built 90 units of a device intended for perimeteric defense of [REDACTED] for the [REDACTED], which was under contract to the Navy Department. [REDACTED] is controlled by Mr. [REDACTED] [REDACTED] a former Agency employee with whom [REDACTED] maintains social contact. [REDACTED] has no stock or other interest in the [REDACTED] [REDACTED] and states that he built the units for [REDACTED] as a personal favor and will accept compensation for the work only if the [REDACTED]'s financial situation improves. [REDACTED] is also considering the perfection and manufacture for commercial use of a transistorized receiver.

2. To answer your second question first, if TSD determines that [REDACTED] outside activities in the commercial electronics field conflict in any way with his responsibilities with the Division or are in any other way detrimental to the best interests of the Agency, it is within the Division's administrative discretion to require [REDACTED] to cease such activities. To rule on the legality of [REDACTED] outside activities requires the following additional information: With regard to the work for [REDACTED] would the work done by [REDACTED] involve any liaison function with the Government and in particular with the Agency; are there any security considerations, that is, is the technical know-how applied to such work of a classified nature or of a nature known only to employees of the Agency? If the answers to these questions are

25X1A negative, this Office would find no actionable conflict of interest on [ ] part in engaging in this activity and, therefore, would pose no legal objection to his continuing this work.

25X1A 3. With respect to the development of the transistorized receiver, the same considerations may be applied, that is, would [ ] be using information obtainable only from his position in the Agency; would he be likely to be negotiating contracts with the Agency for such equipment; and would he be using Agency time for the perfection and/or manufacture of such equipment? Again, if the answers to these questions are negative, this Office would not object legally to his continuing such activity.

4. Generally speaking, in any case utilizing specialized knowledge which may have been gained through employment with the Agency, extreme caution must be exercised by the administrative official in approving or disapproving the employee's request for pursuing such outside activity. The legal question becomes material only after administrative approval of the employee's intended activity.

[ ]

Office of General Counsel

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Subject *Pw. 12*  
Signer  
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